Q: Did Microsoft make any effort to convince Intel not to help Sun and Java?
A: Not that I know of.
Q: Did you or anyone at Microsoft attempt to convince Intel not to engage in any software activity?
MR. HEINER: Objection.
THE WITNESS: No.
Q: BY MR. BOIES: Did you or, to your knowledge, anyone at Microsoft try to convince Intel that it should not engage in any software activity unless Microsoft was involved in that activity?
A: I'm sure we pointed out sometimes how sometimes a lack of communications between the two companies on various subjects including software development led to unfortunate unreliability and mismatch which led to bad customer experiences.
Q: And what did that lead you to ask Intel to do?
A: Oh, in general, to see if we couldn't do a better job communicating with each other so that
people would have better experiences using the PC.
Q Did you or, insofar as you're aware, anyone else at Microsoft tell people at Intel that they should leave the software side of the PC business entirely to Microsoft?

A We were having a hard time coordinating our work with Intel, and we thought the quality of some of their work was very low as well as not working with any of our new Windows work. We may have suggested at some point that the net contribution of their software activities could even be viewed to be negative.

Q Did you or insofar as you are aware or anyone else at Microsoft tell representatives of Intel that their software activities were inconsistent with cooperation between Intel and Microsoft?

A The specific work they did that
completely broke our work I'm sure I indicated I
didn't think that was a good idea for either company.

Q Other than the specific software that
would not work on Windows 95 that Intel was working
on, did you or, insofar as you are aware, anyone else
at Microsoft tell Intel representatives that the
software work that Intel was doing was inconsistent
with cooperation between Intel and Microsoft?

A Well, there's some other things that
they did that created incompatibilities.

Q Incompatibilities between what and
what?

A Between their software and Windows,
that was intended to run on Windows, that created
incompatibilities.

Q And did you tell them that that
software also was not consistent with cooperation
between Microsoft and Intel?

A I doubt I used those words. I
suggested that it wasn't helpful to any of their
goals or our goals to have software that had
incompatibilities and was low quality and broke.
Q  Did you, Mr. Gates, personally ever express concern to Mr. Grove that Intel's software work was beginning to overlap with Microsoft's software work?

A  Only in the sense that the low quality and incompatibilities were inconsistent with any goals that Intel might have had in doing that work.

Q  Why was that a concern?

A  Because Intel was wasting its money by writing low quality software that created incompatibilities for users, and those negative experiences weren't helpful for any goal that Intel had.

Q  Were they harmful to any goal that Microsoft had?

A  Only in the sense of hurting PC popularity by creating negative user experiences.

Q  Is it your testimony that your only concern with what Intel was doing in the software
area was a concern to avoid negative user experiences?

A That's right. Low quality and incompatibilities.

Q Which, according to you, would lead to negative user experiences; correct?

A That's right.

Q Did you or, insofar as you are aware, anybody at Microsoft ever tell Intel representatives in words or in substance that they should stick to hardware and leave the software to Microsoft?

MR. HEINER: Objection.

THE WITNESS: I'm sure there were times when we were frustrated about the quality and incompatibility problems created about their software where someone might have expressed that sentiment in an extreme feeling about how tough it had been for Intel to do quality work that would have advanced any Intel goal.

Q BY MR. BOIES: Were you aware of any work that Intel was doing relating to Internet software development?

A I can't think of any.

Q Did you ever express any concern to anyone at Intel, or to your knowledge, did anyone at
Microsoft ever express any concern to anyone at Intel concerning Intel's Internet software work, if any?

A I don't think Intel ever did any Internet software work.

Q And if they did, I take it it's your testimony no one ever told you about it?

A That's right.
Q  Did you ask Intel to keep you apprised of what software work Intel was doing?
A  I think I made that request in vein on several occasions, nothing ever came of it.
Q  Is it your testimony that they refused to keep you apprised of the software work they were doing?
A  No. I just said to them that if they would -- whatever software work they were doing that was intended to help Windows, they should talk to us about it early on if they wanted to have the highest probability that it would, in fact, achieve that goal.
And unfortunately, we never achieved that result; that is, they would do things related to Windows that without talking to us in advance, and then once they had done the work, there would be some incompatibilities between what they had done and Windows itself.
Q  When is the last time that you asked Intel to keep you apprised of what software work they were doing?
A  I'm not sure.
Q  Approximately when?
A  I don't know.
Q Was it within the last year?
A I don't know.
Q Was it within the last two years?
A I honestly don't know.
Q Was it within the last three years?
A There's probably one instance where I asked them to tell us about things they were doing related to Windows.
Q Did you or others, to your knowledge, from Microsoft tell Intel that if Intel began to compete with Microsoft, Microsoft would be forced to begin to compete with Intel?
A No.
Q Not at all, sir; never said that in words or in substance?
A No.
Q To your knowledge did anyone else from Microsoft ever say that?
A I'm not aware of anybody saying that.
Q If anybody had said that, would you consider that to be inconsistent with company policy?
MR. HEINER: Objection.
THE WITNESS: I'm confused. Intel and Microsoft are not in the same businesses, so there's no policy about one of our people suggesting that
we're going to go into the chip business.

Q       BY MR. BOIES:  Was it part of what you
wanted to accomplish, Mr. Gates, to be to keep Intel
and Microsoft in separate businesses?

A       No.

Q       Did you ever take any action intended
to accomplish that?

A       No.

Q       Did you or, to your knowledge, anyone
from Microsoft ever tell people at Intel that
Microsoft would hold up support for Intel's
microprocessors if Intel didn't cooperate with
Microsoft in areas that Microsoft wanted Intel's
cooporation in?

A       When we saw Intel doing the low quality
work that was creating incompatibilities in Windows
that served absolutely no Intel goal, we suggested to
Intel that that should change. And it became
frustrating to us because it was a long period of
time where they kept doing work that we thought,
although it was intended to be positive in the
Windows environment, it was actually negative. And
we did point out the irony of how while we seemed to
communicate with them on microprocessor issues and
yet they seemed on the areas where they were trying
to enhance Windows that the communication worked very poorly.

Q Did you or others on behalf of Microsoft tell Intel that Microsoft would hold up support for Intel's microprocessors if Intel did not cooperate with Microsoft?

A No.

Q No one ever told Intel that, to your knowledge?

A That's right.
Q  Did you, Mr. Gates, ever yourself try
10 to get Intel to reduce its support of Netscape?
11 A  I'm not aware of any work that Intel
12 did in supporting Netscape. They may have used their
13 browser internally or one of their server things, but
14 that's -- that's not really support. So I'm not sure
15 of any support they were giving to Netscape.
16 Q  You may mean that to answer my
17 question, but I want to be clear.
18 It is your testimony that you're not
19 aware of any instance where you asked anybody at
20 Intel to reduce the support that Intel was providing
21 to Netscape; is that your testimony?
22 A  No. I may have asked -- I may -- and I
23 don't remember it -- but I may have talked to them
24 about their internal browser use. I don't think so,
but I may have. And I may have talked to them about their web servers and what they were using, but I don't think so.